

**FISCAL IMPACT OF PROPOSED LEGISLATION**

Measure: HB 3011

81st Oregon Legislative Assembly – 2021 Regular Session  
Legislative Fiscal Office*Only Impacts on Original or Engrossed  
Versions are Considered Official*Prepared by: Haylee Morse-Miller  
Reviewed by: Tom MacDonald  
Date: March 12, 2021**Measure Description:**

Appropriates moneys from General Fund to Oregon Health Authority for expenses related to hospital nurse staffing program.

**Government Unit(s) Affected:**

Oregon Health Authority (OHA)

**Summary of Fiscal Impact:**

Costs related to the measure may require budgetary action - See analysis.

**Summary of Expenditure Impact:**

	2021-23 Biennium	2023-25 Biennium
General Fund	\$1,383,589	\$2,315,602
<b>Total Funds</b>	<b>\$1,383,589</b>	<b>\$2,315,602</b>
Positions	6	6
FTE	3.75	6.00

**Analysis:**

HB 3011 appropriates \$1,383,589 General Fund to the Oregon Health Authority (OHA) for verifying and ensuring compliance with hospital nurse staffing laws in ORS 441.152 to 441.177. These sections address:

- Formation of hospital nurse staffing committees;
- Written staffing plans for nursing services in each hospital;
- Annual review of the nurse staffing plan by the hospital nurse staffing committee;
- OHA-granted variances to nurse staffing plans;
- Modifications to nurse staffing plans in case of emergency or epidemic;
- Requirements for hospitals to try to obtain sufficient staffing before asking nurses to work overtime;
- Publicly posted notice of nurse staffing plans;
- Requirements that nurses receive authorization before leaving patient care assignment during a shift;
- Maintenance of records by a hospital to demonstrate compliance with nurse staffing requirements;
- Requirements for OHA related to investigation of complaints, audits to be performed every three years, and civil penalties and hospital license revocations; and requirements related to public posting of audit reports and civil penalties levied.

While the bill has an emergency clause and takes effect July 1, 2021, the \$1,383,589 appropriation will allow OHA's Health Care Regulation and Quality Improvement (HCRQI) program to hire six positions (3.75 FTE) and pay for Department of Justice (DOJ) and Office of Administration expenses for part of the 2021-23 biennium to properly support the measure. The following summarizes the new positions:

- Two Client Care Surveyor positions to help increase turnaround times for survey results and allow the program to complete current workloads within statutory timelines. Hospital nurse staffing legislation adopted in 2015 provided one position for this purpose, but the workload for nurse staffing surveys and complaints has far exceeded original estimates. The program is unable to meet statutory survey and

complaint investigation requirements at the currently funded staffing level. Positions will start January 2022 based on the appropriation provided by this measure.

- One Public Health Nurse 2 position to provide consultation and advice regarding compliance and best practices. Currently, the program does not provide this service and the surveyor training model promotes evaluation and encourages hospitals to create solutions based on their knowledge of the resources and challenges. The program currently provides some feedback to hospitals while they work towards solutions; this position would expand services in this area. Position will start January 2022 based on the appropriation provided by this measure.
- One Research Analyst 4 position to provide analysis of trends in nurse staffing and tie practices to patient outcomes. Currently, the program does not have this analytical capacity or capability. This position would analyze results of Oregon nurse staffing surveys and complaint investigations, as well as academic studies related to nurse staffing to provide analysis of these information streams. Position will start January 2023 based on the appropriation provided by this measure.
- One Compliance Specialist 3 position to ensure due process rights for hospitals by providing notice of proposed assessment of civil penalties, tracking hearing request deadlines, referring cases to the Office of Administrative Hearings, and preparing cases for the Department of Justice (DOJ) to present. Position will start January 2022 based on the appropriation provided by this measure.
- One Principal Executive Manager D position to oversee the two Client Care Surveyors, the Public Health Nurse, the Research Analyst and the Compliance Specialist. Position will start July 2022 based on the appropriation provided by this measure. OHA notes that until this position is hired, existing managers will onboard and train new staff.

Total Personal Services costs are estimated at \$787,093 General Fund in 2021-23, and \$1,264,482 General Fund in 2023-25; with position-related Services and Supplies costs of \$183,03 General Fund in 2021-23 and \$251,120 General Fund in 2023-25. Of note, OHA currently has three staff dedicated to the nurse staffing program.

Appeals and contested case hearings expenses are to cover the hearings for hospitals who contest the civil penalties that would be assessed. State law allows for civil penalties to be assessed for non-compliance. The program has not recently assessed civil penalties, but when it does, the hospitals are entitled to an administrative hearing to contest the civil penalties. These costs are calculated based on 10 requests per year at \$20,000 each. OHA predicts that the expense of these hearings could be significant because OHA would be paying DOJ to represent the agency at the hearings and the Office of Administrative Hearings to hear cases and issue recommendations. Total costs of hearings are estimated at approximately \$400,000 General Fund in 2021-23, which include DOJ and Office of Administrative Hearings costs; and \$800,000 General Fund in 2023-25.